

REMARKS

Claims 1-16 and 18-20 are pending and stand finally rejected. The Examiner's reconsideration of the rejection is respectfully requested in view of the following remarks.

Claim 18 was rejected under 35 U.S.C. 112, first paragraph. The Examiner stated that "an apparatus configured to encode and transmit...." is not supported in the specification.

The rejection is respectfully traversed. The Examiner's attention is directed to Figs. 1 and 30 and pages 1 to 4 and 33 to 34 in the specification, wherein Fig. 1 is described as the existing network over which an encoded message can be transmitted. Fig. 30 illustrates how the message can be received in memory and processed for display. Applicant respectfully submits that the structure shown and described above supports the elements of claim 18. Reconsideration of the rejection is respectfully requested.

Claims 1- 16 and 18-20 were rejected under 35 U.S.C. 101 as directed to nonstatutory subject matter. This rejection is respectfully traversed.

In *Diamond v. Diehr*, 450 U.S. 175, 209 USPQ 1 (1981), the Court noted, "when [a claimed invention] is performing a function which the patent laws were designed to protect (e.g., transforming or reducing an article to a different state or thing), then the claim satisfies the requirements of Section 101." *Diehr*, 450 U.S. at 192. In claims 1 and 18, data is encoded or transformed to a different state or syntax, yet useable in an existing protocol. The changed state or syntax facilitates more efficient transport of the

data using an existing structure; the transport and receipt of the encoded data is therefore believed to be a useful, tangible and concrete result of the application of the claimed limitations. For example, consider the following:

“[T]ransformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm, formula, or calculation, because it produces ‘a useful, concrete and tangible result’ -- a final share price momentarily fixed for recording and reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades.” State Street, 149 F.3d at 1373, 47 USPQ2d at 1601.

It is important to note that a resulting use of the final share price for recording and reporting purposes, etc., is not recited in the claims of the patent at issue in State Street. It is enough for the result, e.g., a final share price or an extracted boundary of an object in an image, to be useful. A limitation explicitly claiming a use of the result is not needed to satisfy the requirements of 35 USC 101.

Further, as to claims 19 and 20, since the claims are directed to a process, a structural inquiry is unnecessary. (see AT&T Corp. v. Excel Communications Inc., 172 F.3d 1352 (Fed. Cir. 1999)). In the instant application, the changed state, syntax of the encoded message is believed to be tangible and concrete because the message to be transmitted is simplified without needing, for example, to have extraneous hardware for an existing communication network. For reference purposes consider a claim at issue in AT&T (USPN 5,333,184):

“A method for use in a telecommunications system in which interexchange calls initiated by each subscriber are automatically routed over the facilities of a particular one of a plurality of interexchange carriers associated with that subscriber, said method comprising the steps of:

generating a message record for an interexchange call between an originating subscriber and a terminating subscriber, and

including, in said message record, a primary interexchange carrier (PIC) indicator having a value which is a function of whether or not the interexchange carrier associated with said terminating subscriber is a predetermined one of said interexchange carriers."

The court in AT&T stated that, "AT&T is only claiming a process that uses the Boolean principle in order to determine the value of the PIC indicator. The PIC indicator represents information about the call recipient's PIC, a useful, nonabstract result that facilitates differential billing of long-distance calls made by an [interexchange carrier's] subscriber. Because the claimed process applies the Boolean principle to produce a useful, concrete, tangible result without pre-empting other uses of the mathematical principle, on its face the claimed process comfortably falls within the scope of section 101." 172 F.3d at 1358. In claims 19 and 20 of the present case, as in claims 1-16, the encoded data is transformed to a useful, concrete and tangible result, for example, in network transport and display.

Thus, for the reasons given above, claims 1 -16 and 18-20 are believed to be directed to statutory subject matter and therefore satisfy 35 USC 101.

Claims 1-16, 18-20 were rejected under 35 U.S.C. 103 over Korpi. The Examiner suggests that it would have been a matter of obvious design choice on the part of one ordinary skilled in the art to fill in the specifics of the PDU encoding not taught by Korpi.

The rejection is respectfully traversed. The Examiner seems to have contradicted

himself because he states that the missing encoding characters are "arbitrary". If indeed the encoding is "arbitrary", it would have been counterintuitive to one skilled in the art, then at the very least, the skilled artisan would not have been led to implement such arbitrary characters. Nothing in Korpi directs one to the missing 'arbitrary' characters as claimed. Accordingly, claims 1-16 and 18-20 are not rendered obvious in view of Korpi.

Claims 19 and 20 were rejected under 35 U.S.C. 112, second paragraph, because the claims appear to be hybrid, containing non-functional steps.

The rejection is respectfully traversed. Applicant is not aware that a hybrid method claim, directed to both functional and nonfunctional elements, is improper. Further, claims 19 and 20 recite more than nonfunctional steps. Indeed, they recite steps of encoding and transmitting data.

For the foregoing reasons, the above-identified application, including claims 1-16 and 18-20 is believed to be in condition for allowance. The Examiner's early and favorable action is respectfully requested.

Respectfully submitted,



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